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## DIGEST

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N. Gautreaux

SB No. 224

Proposed law authorizes a parish or municipality to create a special district to be known as sustainable energy financing district. Provides that the governing authority of the local parish or municipality shall be the governing authority for any such district.

Proposed law provides that the district shall be created by ordinance or resolution of the governing authority. Such ordinance or resolution shall provide that the area of the district shall consist of that immovable property whose owners agree to participate in the district. The area of the district may be modified for the purposes of proposed law.

Proposed law provides that a sustainable energy financing district shall include only residential or commercial property for which the owner has executed a contract or agreement consenting to the inclusion of such property within the district in return for a loan from the district.

Proposed law provides that the purpose of a sustainable energy financing district is to encourage, accommodate, and provide a means for financing capital improvements for energy efficiency improvements, such as retrofitting and the installation of renewable energy improvements.

Proposed law provides that the parish or municipality creating the district may incur debt for the purpose of providing funds to make the loans provided for in the proposed law.

Proposed law further provides that the owner of property within the district may request financing in the form of a loan from the district to cover the costs of energy efficiency improvements. Such financing shall include interest rates and administrative fees as determined by the district.

Proposed law provides that the district shall accept or reject the request according to criteria established by the district and make such loan upon terms and conditions set forth in the ordinance or resolution. However, the term for repayment of a loan, together with interest rates and administrative fees, shall not exceed 20 years.

Proposed law further provides that if agreed by the district, the amount of the loan including interest rates and administrative fees shall be assessed against the immovable property upon which the improvements are placed and shall be collected in the same manner as provided for ad valorem taxes. Provides that the district may enter into any necessary agreement with the property tax collector for assessing and collecting the assessment, including provisions for reimbursing the collector for the cost of collection.

Proposed law further provides that upon failure of the property owner to pay the assessment within 30 days of receipt, the parish or municipality may file a certified copy of said charges with the recorder of mortgages, and the same shall operate as a lien and privilege. Such lien and privilege shall have the same ranking as an ad valorem tax lien on immovable property, and may be enforced and collected by ordinary civil proceeding or enforced and collected as any ordinary property tax lien assessed against the property and collected in the manner fixed for collection of tax and subject to the same civil penalties for delinquencies, together with attorneys' fees and costs incurred in notification to the owner and the enforcement and collection of the amounts owed.

Proposed law provides for the powers of the district and the parish or municipality including:

- (1) To provide financing to the owners of residential and commercial property within the district.

- (2) To establish terms, conditions, procedures, requirements, and programs to effectuate the provisions of the proposed law.
- (3) To make and execute contracts and other instruments.
- (4) To borrow money and issue bonds or obligations, and to pay for such bonds from assessments against property levied pursuant to the proposed law.
- (5) To pledge or assign any monies, fees, charges, or other revenues and any proceeds derived by the district from the sale of bonds and other contracts or rights of the district.
- (6) To apply and contract for assistance from the United States or other public or private sources, whether in the form of a grant, guarantee, loan, or otherwise, or to serve and act in such capacities when necessary or desirable to apply for and accept such grants, guarantees, subsidies, loans, or other assistance.
- (7) To receive, administer, and comply with the conditions and requirements respecting any gift, grant, guarantee, subsidy, or donation of any property or money.
- (8) To exercise any and all other powers necessary to accomplish the purposes of the proposed law.

Proposed law provides definitions:

- (1) "Energy efficiency improvement" means an installation or modification that is designed to reduce energy consumption in residential or commercial buildings, and includes but is not limited to the following:
  - (a) Insulation in walls, roofs, floors, and foundations and in heating and cooling distribution systems.
  - (b) Storm windows and doors, multiglazed windows and doors, heat-absorbing or heat-reflective glazed and coated window and door systems, additional glazing, reductions in glass area, and other window and door system modifications that reduce energy consumption.
  - (c) Automatic energy control systems.
  - (d) Heating, ventilating, or air conditioning and distribution system modification or replacements in buildings or central plants.
  - (e) Caulking and weatherstripping. The cost of weatherstripping shall not exceed \$1,500.
  - (f) Replacement or modification of lighting fixtures to increase the energy efficiency of the system without increasing the overall illumination of a residential or commercial building unless such increase in illumination is necessary to conform to the applicable building code for the proposed lighting system.
  - (g) Energy recovery systems.
  - (h) Daylighting systems.
  - (i) Any other modification, installation, or remodeling authorized as a utility cost-savings measure.
- (2) "Renewable energy improvement" means any fixture, product, system, device, or interacting group of devices installed behind the meter of any residential or commercial building that produces energy from renewable resources, including, but not limited to, photovoltaic systems, solar thermal systems, small wind systems, biomass systems, or geothermal systems, as may be authorized, except that it shall

not include a renewable energy improvement that interferes with a right held by a public utility regulated by the Public Service Commission.

(Adds R.S. 33:130.790 - 130.793)

Summary of Amendments Adopted by House

Committee Amendments Proposed by House Committee on Municipal, Parochial and Cultural Affairs to the engrossed bill.

1. Removes the definition of "Project".
2. Provides that the cost of weatherstripping shall not exceed \$1,500.